

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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<b>IN RE:</b>	:	<b>Chapter 11</b>
	:	
<b>15 JOHN CORP,</b>	:	<b>Case No.: 16-12453</b>
	:	
<b>Debtor.</b>	:	
	:	

**ORDER DENYING MOTION FOR APPROVAL OF DISCLOSURE STATEMENT AS  
MOOT, AND ORDERING DEBTOR TO SHOW CAUSE AS TO WHY THE CASE  
SHOULD NOT BE CONVERTED TO A CASE UNDER CHAPTER 7**

On May 8, 2017 Debtor 15 John Corp. filed a proposed Disclosure Statement, a proposed Chapter 11 Plan and a motion seeking conditional approval of the proposed Disclosure Statement [Docket Nos. 90, 91 and 92]. Proposed amendments to the Plan and Disclosure Statement were filed on June 8, 2017 [Docket Nos. 108-112], along with a motion to approve the amended Disclosure Statement [Docket No. 113]. The Plan and Disclosure Statement, as amended, contemplated that the Debtor would continue to operate a restaurant at leased space at 15 John Street in New York City. It also contemplated that Mr. Lajaunie would contribute funds and that releases would be provided in favor of Mr. Lajaunie from certain claims, including certain class action claims currently pending against Mr. Lajaunie in the United States District Court for the Southern District of New York.

By order dated June 12, 2017, this Court ordered that further modifications to the Disclosure Statement be made, and also directed the Debtor and Mr. Lajaunie to make an appropriate application to the United States District Court for permission to proceed with the Plan and Disclosure Statement insofar as they sought to use proceedings in this Court to resolve,

as to Mr. Lajaunie personally, class action claims that are currently pending in the District Court. The Debtor has sought such permission from the District Court but a ruling has not been entered.

On July 28, 2017, this Court held an evidentiary hearing with regard to the Debtor's motion for permission to assume the lease with respect to the space at 15 John Street. At the conclusion of that hearing the Court denied the Debtor's motion. The landlord did not consent to a further extension of the statutory deadline for assumption or rejection of the lease, and the Court entered an Order on August 4, 2017 that deemed the lease to have been rejected pursuant to Section 365(d)(4) of the Bankruptcy Code and that required the Debtor to surrender the leased space.

Since the Debtor has been required to surrender the leased space at 15 John Street, the pending motion for approval of a disclosure statement (which contemplated continued operations at the leased space) is moot. In light of the foregoing,

**IT IS HEREBY ORDERED:**

1. The motion for approval of the disclosure statement [Docket No. 113] is denied as moot. Since the Disclosure Statement and proposed Plan are moot, the Court's prior Order, directing the Debtor and Mr. Lajaunie to seek permission from the District Court to pursue certain terms of that proposed Plan and Disclosure Statement, is also moot.

2. A status conference is hereby scheduled for August 16, 2017, at 10:00 am, at which time the Debtor shall explain how it wishes to proceed and at which time the Debtor shall show cause as to why this chapter 11 case should not be converted to a case under chapter 7 of the Bankruptcy Code.

Dated: August 8, 2017  
New York, NY

s/Michael E. Wiles  
Honorable Michael E. Wiles  
United States Bankruptcy Judge